

**JEFFERSON CONVENTION AND VISITORS BUREAU, INC.**

**ANNUAL FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date OCT 09 2013

**JEFFERSON CONVENTION AND VISITORS BUREAU, INC.**

**Annual Financial Statements  
As of and for the Year Ended December 31, 2012**

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# **VINCENT R. PROTTI, JR., LLC**

*Certified Public Accountant*

Member American Institute Of Certified Public Accountants

The Society of Louisiana CPA's

Government Finance Officers Association

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## **INDEPENDENT AUDITORS' REPORT**

Board Members of  
Jefferson Convention and Visitors Bureau, Inc.

### **Report on the Financial Statements**

I have audited the accompanying financial statement of Jefferson Convention and Visitors Bureau, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2012 and the related statement of activities and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

My responsibility is to express an opinion on this financial statement based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jefferson Convention and Visitors Bureau, Inc. as of December 31, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, I have also issued my report dated May 15, 2013, on my consideration of Jefferson Convention and Visitors Bureau's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jefferson Convention and Visitors Bureau, Inc.'s internal control over financial reporting and compliance.



Gretna, Louisiana  
May 15, 2013

JEFFERSON CONVENTION AND VISITORS BUREAU, INC.  
STATEMENT OF FINANCIAL POSITION  
December 31, 2012

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 522,042
Investments	518,442
Prepaid Assets	75,416
Accounts Receivable	<u>727,598</u>

Total Current Assets		\$1,843,498
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FIXED ASSETS

Equipment	30,715	
Computer Software	59,725	
Leasehold Improvements	3,154	
Less: Accumulated Depreciation	<u>(79,435)</u>	<u>14,159</u>

TOTAL ASSETS		\$ <u>1,857,657</u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	17,946
Deferred Revenue	<u>521,733</u>

Total Current Liabilities		539,679
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NET ASSETS

Unrestricted Net Assets	<u>1,317,978</u>	
Total Net Assets		<u>1,317,978</u>

TOTAL LIABILITIES AND NET ASSETS		\$ <u>1,857,657</u>
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The accompanying notes are an integral part of this statement.

**JEFFERSON CONVENTION & VISITORS BUREAU, INC.**  
**STATEMENT OF ACTIVITIES**  
**For the year ended December 31, 2012**

<b>REVENUE</b>			
Occupancy Tax Revenue-Jefferson	\$	1,142,406	
Occupancy Tax Revenue-Kenner		91,216	
Kenner-Other		150,000	
GTSPF Private Grant		41,667	
La. Tourism Recovery Program		682,622	
Membership Participation		37,325	
Interest		855	
Other Income		<u>6,374</u>	\$ 2,152,465
<b>OPERATING EXPENSES</b>			
Depreciation		15,364	
Health Insurance		19,458	
Insurance		8,726	
Marketing and Promotion-Collateral Materials		1,160	
Marketing and Promotion-Cooperative Programs		30,050	
Marketing and Promotion-Internet Advertising		118,997	
Marketing and Promotion-Media/Brand Mgmt.		531,071	
Marketing and Promotion-Trade Shows		18,644	
Marketing and Promotion-Product Development		257,820	
Marketing and Promotion-Other		80,728	
Office Equipment-Services		2,463	
Office Equipment-Rental		3,093	
Office Supplies		16,238	
Payroll Tax		22,992	
Postage		681	
Printing and Reproduction		343	
Professional/Technical		26,187	
Rent		7,680	
Retirement		5,681	
Salaries		287,889	
Telephone		<u>7,675</u>	<u>1,462,940</u>
Change in unrestricted net assets before other revenues and expenses			689,525
<b>OTHER REVENUES AND (EXPENSES)</b>			
Family Gras Sponsorship Revenues		98,492	
Family Gras Other Revenues		16,979	
Family Gras Expenses		<u>(387,469)</u>	<u>(271,998)</u>
Changes in unrestricted net assets			417,527
UNRESTRICTED NET ASSETS, JANUARY 1, 2012			<u>900,451</u>
UNRESTRICTED NET ASSETS, DECEMBER 31, 2012	\$		<u><u>1,317,978</u></u>

The accompanying notes are an integral part of this statement.

**JEFFERSON CONVENTION & VISITORS BUREAU, INC.**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended December 31, 2012**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Net Income (Loss) \$ 417,527

Adjustments to Reconcile Net Income to Net  
Cash Provided by Operating Activities:

Depreciation 15,364

Change in Current Assets and Liabilities:

Decrease (Increase) in Accounts Receivable (639,777)

Decrease (Increase) in Prepaid Assets (66,416)

Increase (Decrease) in Deferred Revenue 512,833

Increase (Decrease) in Accounts Payable 5,726

Increase (Decrease) in Net Assets (172,270)

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES 245,257

**CASH FLOWS FROM INVESTING ACTIVITIES:**

PURCHASE OF ASSETS ( 3,685)

NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES ( 3,685)

**CASH FLOWS FROM FINANCING ACTIVITIES:**

Investment in LAMP ( 44,820)

NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES ( 44,820)

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS 196,752

CASH AND CASH EQUIVALENTS, JANUARY 1, 2012, 325,290

CASH AND CASH EQUIVALENTS, DECEMBER 31, 2012 \$ 522,042

**SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:**

Cash Paid During the Year For:

Interest \$ 0

Income Taxes \$ 0

The accompanying notes are an integral part of this statement.

**JEFFERSON CONVENTION AND VISITORS BUREAU, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2012**

NOTE A - NATURE OF OPERATIONS

JEFFERSON CONVENTION AND VISITORS BUREAU, INCORPORATED is a nonprofit corporation organized in June of 2000 to actively support the growth of Jefferson Parish tourism through promotion and marketing of its natural and developed resources for the economic benefit of the community and the enjoyment of residents and visitors.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the financial statements follows to enhance the usefulness of the financial statements to the reader.

1. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis which is by generally accepted accounting principles.

2. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Corporation considers any highly liquid debt instruments purchased with a maturity of six months or less to be cash equivalents. The statement of cash flows is presented using the indirect method as permitted by APB 95.

At various times during the year, the Bureau's cash in bank balance exceeded the federally insured limits. At December 31, 2012, the Bureau's uninsured cash balance totaled \$ 272,042. This uncollateralized balance subjects the Bureau's concentration of credit risk in excess of FDIC limits.

4. Accounts Receivable

Accounts Receivable consisted mostly of a hotel occupancy tax collected by the Jefferson Parish Sheriff's office in the amount of \$ 83,559 and Louisiana Tourism Recovery Program reimbursement from Jefferson Parish in the amount of \$ 119,854, and the Gulf Tourism Seafood Fund (GTSF) private grant in the amount of \$ 500,000.

**JEFFERSON CONVENTION & VISITORS BUREAU, INC.**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**December 31, 2012**

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**5. Fixed Assets**

The Bureau capitalizes property and equipment over \$ 1,500. Lesser amounts are expensed. Machinery, equipment, computer software and leasehold improvements are stated at cost. Computer Software is amortized over 36 months. Depreciation is provided using accelerated methods as allowed for income tax purposes which is not materially different from their estimated useful lives.

	<u>Years</u>
Machinery, equipment and furniture	3-7
Leasehold Improvements	15

Depreciation expense for the year ended December 31, 2012 is \$15,364.

**6. Income Taxes**

The Corporation is a nonprofit organization as described in section 501(C)(6) of the Internal Revenue Code and is exempt from federal and state income taxes.

**7. Deferred Revenue**

Deferred Revenue consist of membership participation dues and fees collected and deemed receivable during 2012 for the subsequent year, Family Gras monies received for 2013 and the GTSPF private grant. Deferred Revenue at December 31, 2012 is \$ 521,733.

**8. Revenues**

Jefferson Convention and Visitors Bureau, Inc. receives some of its revenues from Jefferson Parish and the City of Kenner through a Cooperative Endeavor Agreement based on the hotel occupancy tax. In December Jefferson Convention and Visitors Bureau, Incorporated also received a private grant from Gulf Tourism Seafood Promotion Fund.

**9. Rent**

Jefferson Convention and Visitors Bureau, Inc. rents office space from Jefferson Parish in the amount of \$ 640.00 per month.

JEFFERSON CONVENTION & VISITORS BUREAU, INC.  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
December 31, 2012

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

10. Advertising

The Corporation expenses advertising costs as they are incurred. At December 31, 2012, advertising expense which is composed of marketing and promotions was \$ 1,425,939.

11. Related Party

No related party transactions were noted except rent paid by the Bureau to Jefferson Parish noted above.

12. Estimates

The preparation of these financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE C - INVESTMENTS

Louisiana Asset Management Pool, Incorporated (LAMP) is a 2a7-like investment pool. The following facts are relevant for 2a7 like investment pool:

Credit risk: LAMP is rated AAAM by Standard & Poor's.

Custodial credit risk: LAMP participant's investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool: therefore, no disclosure is required.

Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.

Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP' total investments is \$ 518,442 as of December 31, 2012.

**JEFFERSON CONVENTION & VISITORS BUREAU, INC.**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**December 31, 2012**

NOTE C - INVESTMENTS - CONTINUED

Foreign currency risk: Not applicable to 2a7-like pools.

The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

NOTE D - DEFINED CONTRIBUTION PLAN

Jefferson Convention and Visitors Bureau, Inc. established a defined contribution plan (Simple IRA) in 2007. The eligibility requirements for the plan require employees to earn at least \$5,000 per year during any two preceding years and who are expected to earn at least \$5,000 in the current year. Employer contributions are based on a dollar for dollar match of employee contribution amount with a maximum amount not to exceed 3% of gross salary. Employer and employee contributions are fully vested immediately upon satisfying eligibility requirements. The pension expense for the year ended December 31, 2012 was \$ 5,680.

NOTE E - ECONOMIC DEPENDENCY

Jefferson Convention and Visitors Bureau, Inc.'s existence is dependent on the Jefferson Parish Council to renew their revenue from the Cooperative Endeavor Agreement which transfers a portion of the net proceeds of the hotel occupancy tax. This agreement expires in 2015.

Note F - SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 15, 2013, the financial statements issue date.

Note G - FAIR VALUES OF FINANCIAL INSTRUMENTS

The Bureau's financial instruments, none of which are held for trading purposes, include cash and investments. The carrying amounts reported in the statement of financial position approximate fair value because of the short maturities and nature of the instruments.

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INDEPENDENT AUDITOR REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board Members of  
Jefferson Convention and Visitors Bureau, Inc.

I have audited the financial statements of Jefferson Convention and Visitors Bureau, Inc. (a nonprofit organization), as of and for the year ended December 31, 2012, and have issued my report thereon dated May 15, 2013. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of Jefferson Convention and Visitors Bureau, Inc. is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing my audit, I considered Jefferson Convention and Visitors Bureau, Inc.'s internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Jefferson Convention and Visitors Bureau, Inc.'s internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of Jefferson Convention and Visitors Bureau, Inc.'s internal control over financial reporting.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

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A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jefferson Convention and Visitors Bureau, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. These results of my testing disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Louisiana Legislative Auditor, management, and the Board of Directors and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read 'V. Protti Jr. CPA', is written over the printed name and title.

Vincent R. Protti Jr., LLC  
Certified Public Accountant  
Gretna, Louisiana  
May 15, 2013